Iowa moving in wrong direction with higher ed

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Iowa and its three great universities are involved in a death spiral, diminishing the welfare of both parties.

The state has been disinvesting in higher education since 2001, and — to survive — our universities have been turning away from serving Iowans in pursuit of alternative revenues to offset this loss of state support.

In FY2013 Iowa appropriated $6.25 per $1,000 of state personal income for higher education. This was down from $11.42 in 2001 and represents the weakest state investment effort in higher education ever in data first compiled in 1961.

At a time when higher education is more important than ever to economic growth, development and human welfare, Iowa has turned sharply away from investing in higher education. In fact, if the current trends continue, Iowa will become the second state to zero-out state financial support for higher education — reaching that ignominious goal of nothing around 2029.

In response to this loss of state fiscal support, Iowa’s universities have sought to develop alternative revenue sources — mainly from tuition. So tuition charges to students go up, way up. And because nonresident students pay far higher tuition rates than do state residents, the universities first pursue nonresidents.

At the University of Iowa, for example, nonresidents account for 55 percent of new freshmen. If current trends continue, UI may become a branch campus of the University of Illinois — perhaps to be called the University of Illinois at Iowa City.

In this urgent search for alternative revenues, student “attractiveness” is measured not just in terms of their academic records and test scores but now in terms of their revenue potential.

- The most valuable are nonresident students because they pay far higher tuition than do state residents.

- They are followed by state residents who can pay the full state resident tuition charge without the cost of an institutional discount.

- The least financially attractive are low-income Iowans, who need institutional financial aid to help them pay their college attendance costs.

This is reflected in the shifting enrollment patterns at UI. Between 2000 and 2010, the share of freshmen coming from outside of Iowa grew by 10.7 percent (so the share of freshmen from Iowa declined by 10.7 percent).
Moreover, enrollments at UI are moving away from serving low-income students and toward more affluent students. The university’s share of the state’s undergraduates from low-income families has dropped from 7.8 percent in 1999 to 5.3 percent by 2010, while UI’s share of students from higher income families has risen from 14.4 percent to 16.5 percent.

To attract these more affluent students, UI has opened a $60 million recreation building equipped with climbing walls, indoor tracks, swimming pools and rooms filled with exercise equipment.

Iowa has become a national leader in the disinvestment in higher education. We are leading the race to the bottom.

It appears that students from lower income families are the first and primary victims of these public and institutional policy choices. These students are a rapidly growing share of Iowa’s K-12 student population, having grown from 23 percent of the total in 1989 to 40 percent by 2012.

They — and the state they will live in — face a bleaker future than would have resulted from a greater state investment in their future higher educations.

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